STATEMENT OF PETER H. DOUGHERTY DIRECTOR, HOMELESS VETERANS PROGRAMS DEPARTMENT OF VETERANS AFFAIRS

BEFORE THE SENATE COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES, AND SUBCOMMITTEE ON MILITARY CONSTRUCTION, VETERANS AFFAIRS, AND RELATED AGENCIES

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Chairman Murray and Chairman Johnson, Ranking Members Bond and Hutchison, and members of the subcommittees, I am pleased to be here today to discuss programs and services of the Department of Veterans Affairs (VA) that help homeless veterans achieve self-sufficiency. Thank you for inviting us to testify today.

Homelessness for any person is unacceptable; however, for those who have honorably served our nation in the military, homelessness should be inconceivable. VA's commitment to end chronic homelessness among veterans gains strength every day. To meet that goal, VA is making unprecedented strides to create opportunities to bring together veterans in need of assistance with the wide range of services and treatment VA provides directly as well as those services we offer in partnership with others.

As the largest integrated health care system in the United States and, as such, the largest provider of homeless treatment and assistance services to homeless veterans in the nation, VA provides health care and services to more than 100,000 homeless veterans each year. We do this by aggressively reaching out and engaging veterans in shelters and in soup kitchens, on the streets and under bridges. By not waiting for veterans to contact us and by proactively offering services, VA helps some 70,000 of these veterans each year who would not otherwise know of their eligibility for assistance. We connect homeless veterans to a full complement of VA health care and benefits, including compensation and pension, vocational rehabilitation, loan guaranty, and education services.

We continuously work to reach and identify homeless veterans and encourage their utilization of VA's health care system. Once they are enrolled, we furnish timely access to quality primary health care, as well as psychiatric evaluations and treatment and engagement in treatment programs for substance-related problems. In addition, it is extremely important that these veterans are seen by mental health specialists and a case manager. Our objective is to help these veterans receive coordinated needed care and other VA benefits, which in turn, furthers their chances of obtaining and maintaining independent housing and gainful employment. The provision of such VA assistance should enable most veterans to live as independently as possible given their individual circumstances.

We work very closely with our Federal partners at the Departments of Housing and Urban Development (HUD), Health and Human Services (HHS) and Labor (DOL), specifically DOL's Veterans' Employment and Training Service, to ensure those homeless veterans who want and need housing, alternative access to health care, and supportive services and employment have an opportunity to become productive, tax-paying members of society. Housing and employment are very important because we understand from many formerly homeless veterans that having opportunities for gainful employment were vital to their being able to overcome psychological barriers that contributed to their homelessness.

With the support of Congress, VA continues to make a significant investment in the provision of services for homeless veterans. We expect to spend over \$300 million this year in programs to assist homeless veterans and an additional \$1.8 billion in medical care treatment costs.

Services and treatment for mental health and substance-related problems are essential both to the already homeless veteran and to those at risk for homelessness. VA's overall mental health funding increased by nearly \$300 million this year, and we use those funds to enhance access to mental health services and substance use treatment programs. Increasing access and availability to mental health and substance use treatment services are critical to ensure that those veterans who live far away from VA health care facilities are able to live successfully in their communities.

Equally important is the work of the Veterans Benefits Administration (VBA). VBA's loan guarantee program allows non-profit entities to purchase VA foreclosed properties. More than 200 homes have been sold to non-profit and faith-based organizations that are helping to provide thousands of nights of shelter to homeless veterans and other homeless individuals. I also want to note that VBA's Compensation and Pension Service strives to provide timely processing and payment of benefits claims to homeless veterans. As a result of VBA's efforts, 21,000 veterans' claims were expedited to allow these veterans to receive the benefits to which they are entitled.

As part of VA's efforts to eradicate homelessness among veterans, we work in a variety of venues with multiple partners at the Federal, state, territorial, tribal, and local government levels. We have hundreds of community non-profit and faith-based service providers working in tandem with our health care and benefits staff to improve the lives of tens of thousands of homeless veterans each night. We have about 2,000 beds for homeless veterans specifically available under our domiciliary care and other VA-operated residential rehabilitation programs.

A year-long follow-up study of 1,350 veterans discharged from VA's residential care programs indicates that we are achieving long-term success for the well-being of these veterans. Four out of five veterans who completed these programs remain appropriately housed one year after discharge. Through such effective, innovative, and extensive collaboration, VA is able to maximize opportunities for success.

We firmly believe that the best strategy to prevent homelessness is early intervention. As the subcommittee knows, combat-theater veterans returning from the present conflicts in Iraq and Afghanistan have, depending on their date of discharge, enhanced enrollment priority for up to 5 years in VA's health care system and extended eligibility for VA health care at no cost for conditions possibly related to their combat-service. We believe that this eligibility allows our clinical staff to identify additional health problems that may, if otherwise left untreated, contribute to future homelessness among those veterans. During the past 2 years, 556 returning veterans have needed VA residential services either in VA-operated programs or in the community transitional housing programs under our Homeless Grant and Per Diem Program. The best option is to reach out and treat those in need who are willing to seek services today to prevent more acute problems later.

Interagency Council on Homelessness (ICH), Intergovernmental and Local Relationships

VA has always been an active partner with nearly all Federal departments and agencies that provide services to homeless veterans. In March, Secretary Peake was elected to chair the Interagency Council on Homelessness (ICH), demonstrating his and VA's commitment to working collaboratively. We participate in a variety of interagency efforts to assist homeless veterans. During Secretary Peake's tenure as ICH Chair, VA will continue an initiative we started several years ago of hosting regular meetings of the ICH Senior Policy Group. These efforts have brought VA to an unprecedented involvement in state and local plans to end chronic homelessness.

In the past, VA has worked closely with HUD and HHS to assist the chronically homeless with housing, health care, and benefits coordination. Under this initiative, funding was provided to 11 communities that developed quality plans to house and provide wraparound services. As a result of our collaboration, nearly 1,200 individuals were enrolled in the program during the first year of the project, and nearly 600 were housed. Thirty percent of those receiving services under this initiative are veterans. This effort is based on the premise that housing and treating those who are chronically homeless will decrease total costs for health care, emergency housing, related social services, and the court system. VA is pleased to be a partner in this effort. We are also pleased to lead the effort to evaluate this project, in partnership with HUD and HHS, and look forward to sharing with you our findings regarding the subsequent year of the project when they become available.

VA has a long tradition of engaging and working with local providers in their communities. VA collaborates annually with communities across the United States in Project CHALENG (Community Homelessness Assessment, Local Education and Networking Groups) for veterans. At regularly scheduled CHALENG meetings, VA works with faith-based and community homeless service providers, representatives of Federal, state, territorial, tribal, and local governments, and homeless veterans themselves. Our meetings and annual reports are designed to identify met and unmet

needs for homeless veterans, aid in the community effort to aid homeless veterans, and develop local action plans to address those identified needs.

Last year our CHALENG meetings had over 9,000 participants, including nearly 5,000 current or formerly homeless veterans at meetings sponsored by VA medical centers and supported by regional offices to strengthen their partnerships with community service providers. This leads to better coordination of VA services as well as the development of innovative, cost-effective strategies to address the needs of homeless veterans at the local level. It shows us what is being done effectively and what pressing unmet needs remain.

This process also helps us establish, as part of local needs, an estimate of the number of veterans who are homeless on any given night. You should be pleased to know that, based on the most recently available data, the number of homeless veterans appears to be going down. Two years ago we estimated there were approximately 195,000 homeless veterans on any given night. Last year we believe that number dropped to 154,000, a 21 percent reduction. While there are still far too many veterans among the homeless, we are making progress, and their numbers are coming down. This progress demonstrates to us that this scourge is not unmanageable and that our collective efforts are realizing success. We are confident that our continued efforts will achieve our goal of ending chronic homelessness among veterans.

VA Involvement in Stand Downs

VA's involvement in stand downs began more than 20 years ago when the first stand down for homeless veterans was held in San Diego. Stand downs are typically 1 to 3-day events and bring a wide range of specialized resources together to provide homeless veterans with comprehensive medical and psychosocial services. We have participated in over 2,000 events since then. Participating in stand downs for homeless veterans is another avenue by which VA continues its collaborative outreach at the local level through coordination of our programs with other departments, agencies, and private sector programs. In calendar year 2007, VA, along with hundreds of veterans service organization representatives, community homeless service providers, state and local government offices, faith-based organizations, and health and social service providers, provided assistance to more than 27,000 veterans. The latest information shows that more than 3,500 spouses and children attended these events. Nearly 18,000 volunteers and VA employees participated in last year's stand downs.

Homeless Providers Grant and Per Diem Program

VA's largest program involving local communities remains our Homeless Providers Grant and Per Diem Program. As you are aware, this highly successful program allows VA to provide grants to state and local governments, as well as faith-based and other non-profit organizations, to develop supportive transitional housing programs and supportive service centers for homeless veterans. The current Notices of Funding Availability (NOFA) has \$37 million available: \$12 million for per diem only

programs and \$25 million for new grant programs. Organizations may also use VA grants to purchase vans to conduct outreach and provide transportation for homeless veterans to receive health care and employment services.

Since the Grant and Per Diem Program was authorized in 1992, VA has fostered the development of nearly 500 programs with more than 9,000 operational beds today and with plans already approved or in process to develop more than 14,000 transitional housing beds. We already have 23 independent service centers and provided funding for 200 vans to provide transportation for outreach and connections with services.

We accepted applications pursuant to two NOFAs that we believe will create 2,200 new transitional housing beds. We have begun our review of the applications and anticipate announcing the awards by the end of this fiscal year.

Technical Assistance Grants

With the enactment of Public Law 107-95, VA was authorized to provide grants to entities with expertise in preparing grant applications. We have awarded funding to two entities that are providing technical assistance to non-profit community and faith-based groups that are interested in seeking VA and other grants relating to serving homeless veterans. Grants were awarded to the National Coalition for Homeless Veterans, Public Resources, Inc., and the North Carolina Governor's Institute on Alcohol and Substance Abuse, Inc. to aid us in this effort. VA will continue to expand and improve services to connect veteran-specific service providers to other government and non-government resources.

Grants for Homeless Veterans with Special Needs

VA also provides grants to its health care facilities and existing grant and per diem recipients to assist them to serve homeless veterans with special needs, including women, women who care for dependent children, the chronically mentally ill, frail elderly, and the terminally ill. We initiated this program in FY 2004 and have provided special needs funding totaling \$15.7 million to 29 organizations. We issued two NOFAs on February 22, 2007. That call resulted in \$8.8 million to continue to fund both existing special needs grants and new awards.

Residential Rehabilitation and Treatment Programs (RRTPs)

VA's Domiciliary Care for Homeless Veterans (DCHV) Program, which was recently renamed the Residential Rehabilitation and Treatment Program, provides a full range of treatment and rehabilitation services to many homeless veterans. Over the past 17 years, VA has established 34 DCHV programs providing 1,873 beds. There have been over 71,000 episodes of treatment in the DCHV program since 1987. VA continues to improve access to the services offered through these programs. In FY 2007, DCHV programs treated 5,905 homeless veterans, while VA funded the development of 9 new DCHV programs offering a total of 400 new beds. In FY 2006,

VA funded the development of 2 additional DCHV programs totaling 100 beds. In addition to the DCHV program, homeless veterans receive treatment and rehabilitation services in the Psychosocial Residential Rehabilitation Treatment Program (PRRTP). Currently there are 72 PRRTP programs with a total of 2,020 beds.

Staffing at VBA Regional Offices

Homeless Veterans Outreach Coordinators at all VBA regional offices work in their communities to identify eligible homeless veterans, advise them of VA benefits and services, and assist them with claims. The coordinators also network with other VA entities, veterans service organizations, local governments, social service agencies, and other service providers to inform homeless veterans about other benefits and services available to them. In FY 2007, VBA staff assisted homeless veterans in 28,962 instances. They contacted 4,434 shelters, made 5,053 referrals to community agencies, and made 4,006 referrals to VHA and DOL's Homeless Veterans Reintegration Programs.

Since the beginning of FY 2003, regional offices have maintained an active record of all compensation and pension claims received from homeless veterans. Procedures for the special handling and processing of these claims are in place. From FY 2003 through FY 2007, VBA received 21,366 claims for compensation and pension from homeless veterans. Of those claims, 59 percent were for compensation and 41 percent were for pension. Of the compensation claims processed, 42 percent were granted, with an average disability rating of 45 percent, and 15 percent of claimants were rated 100 percent disabled. Of the total claims denied, 43 percent were due to the veteran's disability not being service connected. The average processing time for all compensation claims of homeless veterans was 155 days. Of the pension claims processed, 77 percent were granted. Nine percent of the claims denied were due to the veteran's disability not being permanent and total. The average processing time for all pension claims of homeless veterans was 123 days.

Multifamily Transitional Housing Loan Guaranty Program

Public Law 105-368 authorized VA to establish a pilot program to guarantee up to 15 loans, up to an aggregate loan amount of \$100 million, for multifamily transitional housing. Many complex issues, often varying from jurisdiction to jurisdiction, surround implementation, and VA has worked closely with veterans service organizations, veteran-specific housing providers, faith-based organizations, clinical support service programs, VA medical care staff, state, city and county agencies, homeless service providers, and finance and housing experts. We are also using consultants to assist us with our evaluation of potential sites and providers of housing services.

VA issued an award under this program for a project to provide 144 new beds for homeless veterans through the Catholic Charities of Chicago. The Catholic Charities' project opened in January 2007 and was full within a week. One loan has been

approved to date. No other loans are expected to be closed within the foreseeable future.

Coordination of Outreach Services for Veterans At Risk of Homelessness

VA, together with DOL and with additional assistance from the Department of Justice (DOJ), has helped develop demonstration projects providing referral and counseling services for veterans who are at risk of homelessness and are currently incarcerated. Currently, VA and DOL have seven sites that provide referral and counseling services to eligible veterans at risk of homelessness upon their release from correctional institutions. Local staffs from VHA and VBA provide veterans at each demonstration site with information about available VA benefits and services.

DOL also provided funding under its Homeless Veterans Reintegration Programs for the Incarcerated Veterans' Transition Program. VA and DOL are reviewing this program carefully and will provide a report on its effectiveness.

HUD-Veterans Affairs Supportive Housing (HUD-VASH)

VA recognizes HUD's long-standing support of the HUD-VASH program. This very successful partnership links the provision of VA case management services with permanent housing in order to assist homeless veterans. In addition, we very much appreciate Congress appropriating additional funds in FY 2008 to make available nearly 10,000 permanent housing units for homeless veterans. We will continue to work closely with our colleagues at HUD to implement this program and expect that thousands of veterans will be able to use these vouchers to move into housing this summer. We are starting to hire nearly 300 case managers who will provide case management services to those veterans who are eligible for VA health care to ensure that they have access to all needed health care and services.

The Administration has proposed in HUD's budget providing approximately 10,000 additional units of permanent housing next year. If that occurs, we will make sure these additional veterans receive the appropriate case management services.

Recently Discharged Veterans (Operation Enduring Freedom/Operation Iraqi Freedom, OEF/OIF, Veterans)

During the past 3 fiscal years, 556 veterans who served in Iraq and Afghanistan have been treated in one of VA's homeless-specific residential treatment programs. Currently, there are approximately 90 OEF/OIF veterans in homeless-specific residential treatment programs. It is clear to us that there is a strong need for VA to be extremely diligent in ensuring that these veterans get immediate attention. VA, with a host of external partners, seeks out these veterans. I want to be abundantly clear that our mission is to serve all eligible veterans who need our services.

I should note that these veterans, like all veterans who enter VA's homeless-specific services, get access to primary care, but also as needed, to appropriate mental health and substance abuse services. Our efforts to reach out, find, and appropriately serve these veterans will do nothing but increase in the months and years ahead.

Summary

VA continues to make progress to prevent homelessness and treat our homeless veterans. Each year, we provide an annual report to Congress that outlines our activities for homeless veterans. VA collaborates closely with other Federal agencies, state and local governments, and community and faith-based organizations to ensure that homeless veterans have access to a full range of health care, benefits, and support services. We still have much to do to end chronic homelessness among veterans in America, and we are eager to work with you to meet that challenge. Developing appropriate links to health care, housing, benefits assistance, employment, and transportation are all components that help bring these veterans out of despair and homelessness. We appreciate all of the assistance the Congress gives us to aid in this noble effort.

Chairman Murray and Chairman Johnson, that concludes my statement. I am pleased to respond to any questions you or the subcommittee members may have.